
THE REFUGEE PROBLEM AND PALESTINE

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I. THE PROBLEM: AN APPROACH TO ITS
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Jewry is again confronted by a catastrophic mass migration problem. The impoverishment and degradation of the 600,000 Jews of Germany and Austria need no elaboration. The Jews of Poland, 3,000,000 of them, are regarded as "excess population" and are slowly but surely perishing. In Rumania and Hungary the pressure on the Jewish populations comprising approximately 1,175,000 persons is daily increasing. Altogether there are in these countries about 5,000,000 Jews who, as Dr. Chaim Weizmann, President of the Jewish Agency, put it, are "doomed to be pent up in places where they are not wanted and for whom the world is divided into places into which they cannot enter." This, in short, is the magnitude of the problem.

There is no short cut to a solution. New homes will have to be found for a substantial portion of this population. But even if all the nations represented at the Evian Conference followed the example of our own country these refugees could not be transplanted to other parts of the world in less than a decade. The process of transplantation can only be gradual and must be so planned as to achieve relief not only for those who are emigrating but also for those who remain behind. It must be remembered that the economic life of the whole area of Eastern and Central Europe has deteriorated since 1914; that the dominant groups in these newly-constituted post-war states became infected with a virulent nationalism which in part expressed itself in the gradual exclusion of Jews from most avenues of livelihood in industries and public services; that with emigration outlets for Jews practically closed a state of tension has arisen which made not only misery for the Jews but created a dangerous threat to European international relation-

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ships. This dangerous pressure could be gradually eased by the annual exodus of from 200,000 to 250,000 Jews from this area. If the movement of emigration could be so organized as first to take out the younger men and women, between eighteen and twenty-five, who at those ages are the most active competitors of their non-Jewish neighbors for the few available avenues of livelihood, the position of the remaining Jews would be further improved. Over a period of years the sustained withdrawal of this age group, which comprises persons who are about to marry and have children, would result in a relatively rapid and permanent reduction of the Jewish populations in those areas.

This task is a challenge to the conscience and well-being of the civilized countries of the world. "There can be no peace if national policy adopts as a deliberate instrument the dispersion all over the world of millions of helpless and persecuted wanderers with no place to lay their heads."¹ It is equally true that there can be no peace if the civilized countries of the world, including the Jews of the world, do not meet this challenge by offering homes to at least from 200,000 to 250,000 of these wanderers annually. The Jews of the world believe that from 100,000 to 125,000 persons of this annual migration can be absorbed by Palestine. They stand ready to make this economically possible with "men and money". Let us first examine the Palestine part of the problem.

II. THE ABSORPTIVE CAPACITY OF PALESTINE.

A. The Dynamic Concept of Absorptive Capacity.

The area of Palestine (exclusive of Trans-Jordan) is 10,400 square miles. Its population is approximately

¹ President Roosevelt's Radio Speech to New York Herald-Tribune Forum, October 26, 1938, *New York Herald-Tribune*, October 27, 1938.

1,415,723—890,352 Moslems, 401,577 Jews and 123,814 others.² How many more immigrants can the country economically absorb? This question has given rise to many definitions of absorptive capacity. Most of them imply a static concept—the size of the country; its present population; its present cultivable area; its apparent lack of natural resources, raw materials and the like. Under this concept the attitude toward the problem of immigration and colonization becomes mechanical and out-of-joint with life. Most weight is given to the material and inanimate elements at hand and least to the decisive power of human resourcefulness, devotion and experience, of capital, and of the propulsive force generated by Jewish misery. This mental rigidity inevitably leads to the fallacy of a static equilibrium of a closed community. But what is more serious, it is responsible for much of the confusion that today exists in the public mind concerning Palestine and the Mandate. Experience in Palestine itself has proved that the "economic absorptive capacity" of that country cannot be measured with a slide-rule or yardstick and that its ultimate scope cannot be predicted. It is a dynamic, an expanding, concept. "Immigration is conditioned by absorptive capacity but immigration itself, with its accompanying influx of wealth and the driving power of pioneer energy, enlarges absorptive capacity by creating new opportunities for livelihood."³ The Palestine Royal Commission puts it more vividly:

"In 1934 there were 42,359 authorized immigrants (into Palestine), in 1935, 61,854. . . . so far from reducing 'economic absorptive capacity', immigration increased it. The more immigrants came in, the more work they created for local industries to meet their needs, especially in building; and more

² Government of Palestine, *General Monthly Bulletin of Current Statistics*, September 1938, p. 376.

³ A. Granovsky, "Absorptive Capacity and Development", *Palestine & Middle East Economic Magazine*, January 1937, p. 15.

work meant more room for immigrants under the 'labor [immigration] schedule'. Unless, therefore, the Government adopted a more restrictive policy, or unless there were some economic or financial set-back, there seemed no reason why the rate of immigration should not go on climbing up and up."⁴

Dr. Weizmann states the proposition in another form:

"In the case of the immigrant who comes here his one aim in life is not only to make himself useful, but to create opportunities for other people to come. I would submit to the Commission respectfully that if they asked any settler, whether in a colony or whether in a factory, if he was happy or if he was satisfied, in ninety cases out of a hundred they would get a satisfactory answer, but the one thing they will ask is, 'Will other people come after me?' and, not only have the immigrants not been a burden to the community, but they have created opportunities for the absorption of ever more people on a larger scale."⁵

That the expanding principle of economic absorptive capacity has been operative in developing the economic structure of Palestine since the post-war advent of the Jews will become evident from a cursory review of a few relevant figures.

B. Operation of the Dynamic Principle of Absorptive Capacity in Industry and in Other Non-agricultural Occupations.

The first official Census of Palestine Industries, taken in 1928, states that industry in its larger sense was practically non-existent in Palestine before the War, and that machinery was practically unknown.⁶

⁴ Report of Palestine Royal Commission, London, 1937, p. 85.

⁵ Minutes of Evidence, Palestine Royal Commission, London, 1937, p. 37.

⁶ Government of Palestine, First Palestine Census of Industries, 1928, p. 5.

"Since 1928, and especially since 1933, there has been a marked advance, not only in the output of Palestinian industry but in its diversification and its technical equipment."⁷ The British Commercial Agent at Haifa, in his report to the British Government Department of Overseas Trade on economic conditions in Palestine in July 1935, writes as follows:⁸

"Various factors have combined to foster the rapid development of local industries in the past two or three years. In the first place they form an outlet for the new capital flowing into the country, a considerable proportion of which is still lying idle. They also provide work for new immigrants. Their promoters are often new arrivals with years of experience in particular industries which they desire to use in their new home. Local demand has so much increased as to justify local production of certain goods and expansion of existing factories. The promoters are fortunate in that they can open their works with the most modern plant and methods."

The growth of Jewish industry and handicrafts from 1921 to 1937 is vividly shown in the following table:⁹

		1921-2	1930	1933	1937	Percentage increase since 1933
Establishments	No.	1,850	2,475	3,388	5,606	65%
Personnel:						
workers & owners	No.	4,750	10,968	19,595	30,040	53%
Value of annual output	£P*	500,000	2,510,000	5,352,000	9,109,000	75%
Capital	£P	600,000	2,234,000	5,371,000	11,637,300	108%
Horsepower	£P	880	10,100	50,500	106,495	110%

Since 1921 the personnel in Jewish industry increased six times, the output seventeen times, the capital eighteen times and the machinery and equipment even to a greater degree.⁹

⁷ Jewish Agency for Palestine, *Memorandum Submitted to the Palestine Royal Commission*, London, 1936, p. 217.

⁸ Ib., p. 217.

⁹ Jewish Agency for Palestine, "Census of Jewish Industry and Handicrafts 1937", *Bulletin of Economic Research Institute*, March-April 1938, p. 54.

* £P=Palestine Pound=Pound Sterling.

Side by side with this growth of industry, parallel and subsidiary urban work opportunities developed. Building construction, in which the Jews of Palestine invested approximately \$100,000,000 since 1932 alone, gave employment to about 16,500 Jews in 1935.¹⁰ Owing to the disturbances, building workers dropped to 11,000 in 1937. In 1937 transportation, clerical work, unskilled work, services, liberal professions and unclassified work gave employment to 41,658 additional workers.¹¹ This inflow of Jewish immigrants and Jewish capital not only developed these work opportunities for the Jews but quickened industrial activity among other sections of the population. As long ago as 1933 the Government reported that the non-Jewish industrial undertakings had increased by more than 80% over the pre-War non-Jewish establishments in the country.¹² This whole structure of industrial and commercial activity, which sustains a large portion of the Palestinian population, represents an entirely new source of wealth. It is a direct outgrowth of Jewish immigration, of the application of human resourcefulness, experience, capital and the propulsive force generated by human misery. It is the dynamic principle of economic absorptive capacity at work. Not only has it not displaced any part of the non-Jewish population but it has made new places for them where none existed before.

C. The Operation of the Dynamic Principle of Absorptive Capacity in Agriculture.

The development of agriculture and horticulture paralleled that of industry. Before examining the present

¹⁰ Horowitz and Hinden, *Economic Survey of Palestine*, p. 106.

¹¹ Jewish Agency for Palestine, *Memorandum to the Permanent Mandates Commission 1937*, June 1938, p. 16.

¹² Report by His Majesty's Government on the Administration of Palestine and Trans-Jordan 1933, London, 1934, p. 27.

position of the agricultural and horticultural structure of the country it may be instructive to read a description of the Maritime Plain in 1913, that area of Palestine which is now the most productive and the most thickly populated. The Royal Commission quotes the following description in its Report and states that in its opinion it is truthful and disinterested.¹³

"The road leading from Gaza to the north was only a summer track suitable for transport by camels and carts. . . . In the rainy season it was impassable.

"In the villages on both sides of the track and as far as the hills to the east no orange groves, orchards or vineyards were to be seen until one reached Yabna Village. Trees generally were a rare sight in these villages. . . .

"In all the villages dotting the plain between Gaza and Jaffa there was only one well in a village and in the smaller villages there were no wells at all. . . . Not in a single village in all this area was water used for irrigation. Water was scantily used for drinking purposes by man and beast.

"Houses were all of mud. No windows were anywhere to be seen. The roofs were of caked mud. . . . The family lived in the elevated part while in the lower part the cattle were housed. The cattle were small and poor. So were the chickens.

". . . The ploughs used were of wood. European ploughs were not known in the whole area. Not a village could boast of a cart. Sowing was done by hand; harvesting by the scythe and threshing by animals. Fields were never manured.

". . . Every second year the fields were measured by stick and rope and distributed among the cultivators. Division of land always led to strife and bloodshed.

"The yields were very poor. . . . The wheat yield went to Government in payment of tithe and to the 'effendi' in payment of interest on loans. The 'fellah' [Arab peasant] himself made his bread from dura.

"The sanitary conditions in the villages were horrible. Schools did not exist and the

¹³ Report of Palestine Royal Commission, *op. cit.*, pp. 233, 234.

younger generation rolled about in the mud of the streets. The rate of infant mortality was very high. There was no medical service in any of the villages distant from a Jewish settlement. In passing a village one noticed a large number of blind, or halfblind persons. Malaria was rampant.

" . . . In the neighborhood of Wadi Rubin considerable quantities of vegetables, especially tomatoes, were grown. But the standing water in the 'wadi' devastated the whole area, being a breeding place of malaria. At Wadi Hunein there were several orange groves belonging to 'effendis'. Most of them were in a very neglected state. They were planted in irregular formation and irrigated in a very primitive manner. . . . At Beit Dajan, Yazur and Jaffa considerable areas were planted with orange trees. The quality of these groves was not superior to those of Wadi Hunein.

"The entire area of orange groves owned by Arabs before the war was 20,000 dunams* while the Jews owned 10,000 dunams. The export of oranges . . . [in 1913 amounted to 910,548 cases].

"The area north of Jaffa as far as Hedera and Zichron Jacob, known as the Sharon, consisted of two distinctive parts divided by a line from south to north. . . . The villages in this area were few and thinly populated. Many ruins of villages were scattered over the area as owing to the prevalence of malaria many villages were deserted by their inhabitants who migrated to the hills"

Is it not fair to say that at that time, in 1913, the Maritime Plain had, under the Government's definition of cultivable area, which is such land as "is actually under cultivation, or which can be brought under cultivation by the application of the labour and resources of the average Palestinian [Arab] cultivator,"¹⁴ reached the limit of its absorptive capacity?

Contrast this position of the country with that which the Royal Commission found in 1936.¹⁵

" . . . Twelve years ago the National Home was an experiment: today it is a 'going concern'. . . . The process of [Jewish] agricultural colonization has steadily continued. . . . There are now 203 agricultural settlements containing some 97,000 people. Some of the new colonies are again in the uplands of Galilee, northwards of Mount Tabor; but most of them, as before, are in the plains. Three-parts of the Plain of Esdraelon, all of the Valley of Jezreel, a great part of the Maritime Plain between Jaffa and Mount Carmel, and another large area south of Jaffa—these wide stretches of plain-land, drained and irrigated and green with citrus trees or brown from the plough, are the agrarian basis of the National Home. The country-towns have likewise grown and prospered. . . .

"Yet more impressive has been the urban development. Tel Aviv, still a wholly Jewish town, has leaped to the first place among the towns of Palestine. Its population now probably exceeds 150,000. . . . It has grown too fast for orderly town-planning; its frontage on the sea has so far been neglected; . . . but its main boulevard and some of its residential quarters, its shops and cafes and cinemas, above all the busy, active people in the streets already reproduce the atmosphere of the older Mediterranean sea-side towns of Europe. But it is essentially European. From its beginnings the contrast between Tel Aviv, an artificial creation, rising so quickly from a barren strip of sand, and ancient Jaffa, still more the contrast with a purely Arab town among the hills like Nablus, was clearly marked, and it is now quite startling.

"There is the same effect at Jerusalem. . . . The population of Jerusalem has grown to 125,000: and of that some 76,000 are Jews.

"The growth of Haifa, too, which has now a population of 100,000, is only less remarkable than that of Tel Aviv. But Haifa is not, like Tel Aviv, a wholly Jewish concern. . . . The European shipping in the

* One dunam=approximately $\frac{1}{4}$ acre.

¹⁴ *Ib.*, p. 234.

¹⁵ *Ib.*, pp. 113, 114, 115, 116, 117, 125.

new and spacious harbour is serving Arab as well as Jewish Palestine. We observed that many cases of goods in the sheds at the quayside were marked for transit to Baghdad.

"But, broadly speaking, the remarkable urban development in Palestine has been Jewish. Nor is it in Jewish eyes by any means complete. If all goes well with the National Home, if the 'boom' persists, if expanding industries can find expanding markets, if the immigration of men and money continues to supply the demands of production and consumption alike, new towns, it is foretold, will spring up along the sandy coast, where no one can assert, whatever may be said inland, that a Jew coming in means an Arab going out. Already, indeed, on a barren waste just south of Jaffa a whole township has been planned. . . . To some Zionists this rapid growth of industry and urban life may seem to threaten one of the basic principles of their original creed—that the return to Palestine was a return to work on its soil. But so far, at any rate, it can be said that the industrial structure has not entirely outgrown its agrarian base. The relation between rural and urban areas, between industrialists and agriculturists, has remained fairly constant from the start. . . .

"With every year that passes, the contrast between this intensely democratic and highly organized modern community and the old-fashioned Arab world around it grows sharper, and in nothing, perhaps, more markedly than on its cultural side. The literary output of the National Home is out of all proportion to its size. Hebrew translations have been published of the works of Aristotle, Descartes, Leibnitz, Fichte, Kant, Bergson, Einstein and other philosophers, and of Shakespeare, Goethe, Heine, Byron, Dickens, the great Russian novelists, and many modern writers. In creative literature the work of Bialik, who died in 1935, has been the outstanding achievement in Hebrew poetry, and that of Nahum Sokolov, who died in 1936, in Hebrew prose. . . . But perhaps the most striking aspect of the culture of the National Home is its love of music. It was while we were in Palestine,

as it happened, that Signor Toscanini conducted the Palestine Symphony Orchestra, composed of some 70 Palestinian Jews, in six concerts mainly devoted to the works of Brahms and Beethoven. On each occasion every seat was occupied, and it is noteworthy that one concert was reserved for some 3,000 workpeople at very low rates and that another 3,000 attended the Orchestra's final rehearsal. All in all, the cultural achievement of this little community of 400,000 people is one of the most remarkable features of the National Home.

" . . . It is the same with science. The Daniel Sieff Research Institute at Rehovot is equipped with the most delicate modern instruments; the experiments conducted there are watched by chemists all over the world: yet from its windows can be seen the hills inhabited by a backward peasantry who regard it only as the demonstration of a power they hate and fear and who would like, no doubt, when their blood is up, to destroy it.

" . . . The Jews in Palestine, to begin with, are happy. They are not as happy as they were before the outbreak of last year.

" . . . But, speaking generally, whether it be the Jew who has been driven from a comfortable life in a cultured 'milieu' and is now digging all day in the fields and sleeping in a bare cottage, or whether it be the Jew who has emerged from a Polish ghetto and is now working in a factory at Tel Aviv, the dominant feeling of both is an over-whelming sense of escape. The champions of Zionism have always held—and on the whole they are now proved right—that a Jew released from an anti-Jewish environment and 'restored' to Palestine would not only feel free as he had never felt before but would also acquire a new self-confidence, a new zest in living from his consciousness that he was engaged in a great constructive task. . . .

"In Arab as in Jewish Palestine the most striking fact is the growth of population. It has risen since 1920 from about 600,000 to about 950,000; and in this case, unlike the Jewish, the rise has been due in only a slight degree to immigration. No accurate estimate can be made of the number of Arabs who have come into Palestine from neighbouring

Arab lands and settled there, but it may be reckoned that roughly nine-tenths of the growth has been due to natural increase, and it has been a growth of over 50 per cent. in 17 years. Those are remarkable figures, especially in view of the general belief that the population of Palestine under the Ottoman regime was more or less stationary. . . ."

According to estimates of the Government, the total agricultural population of Palestine in 1935 amounted to 632,600.¹⁶ The Jewish rural population had grown from 14,782 in 1922 to 98,303 in 1936.¹⁷ Of this rural population approximately 56,000 were directly subsisting on agriculture.¹⁸ Jewish productivity on the land has greatly increased and co-operative methods in Jewish agriculture have developed. In his testimony before the Palestine Royal Commission, Dr. Arthur Ruppин, the head of the Jewish Agency Institute of Economic Research, cites a few interesting examples:^{18a}

" . . . We then developed co-operative marketing, which was very necessary because the individual farmer could not get full value for his produce in the towns and we succeeded, or I might say the settlers themselves succeeded, in establishing a co-operative marketing society which is called Tnuva. This society has increased its sales in the last ten years from £55,000 in 1926-7 to £550,000 in 1935-36. All our endeavours were directed to intensification of farming, thereby reducing the farm unit. . . . *In the beginning settlers were given 250 dunums of land.**"

¹⁶ Memoranda Prepared by the Government of Palestine, Palestine Royal Commission, London, 1937, p. 16.

¹⁷ Jewish Agency for Palestine, "Census of Jewish Agriculture in 1936", *Bulletin of Economic Research Institute*, November-December 1937, p. 105.

¹⁸ Jewish Agency for Palestine, *Memorandum to the Mandates Commission 1936*, June 1937, p. 5.

^{18a} Minutes of Evidence, Palestine Royal Commission, London, 1937, p. 103.

* Italicized sentence is not part of quotation, but a summary of a portion thereof.

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We tried to reduce this area by giving the settlers better livestock and fertilisers. We started after the War with 100 dunums of unirrigated land in the Emek and after irrigation was developed we reduced it to 20 dunums, because as a rule in Palestine the income of one dunum of irrigated land is equal to the income from five dunums of unirrigated land. . . . We have succeeded, for instance, in importing cows from Holland, and we increased the yield of a cow from 700 litres a year at the beginning to an average of about 4,000 litres. We have got cows giving as much as 8,000 litres, but they are not the average; they are exceptional cases. In the same way we brought over new poultry, the leghorn, from the United States, and in this way we could increase the number of eggs laid by a hen from 70 to 120 a year. We raised the yield of wheat from 70 kilos, a dunum to 130 and 140. We introduced new plants, for instance, lucerne as fodder for cows, which was not known before and is now grown in all our settlements. We have introduced new trees, for instance, bananas, many varieties of deciduous fruits. We had here the support of our agricultural experiment station . . . at Rehovot."

The citrus area which, as stated above, aggregated 30,000 dunams in 1913 had grown to 288,000 dunams by 1935, of which 153,000 dunams were owned by Jews and 135,000 dunams by Arabs.¹⁹ According to the Government estimate made on March 31, 1937, the citrus area had up to that time expanded to 298,000 dunams.²⁰ The export of Palestine citrus fruit had risen from 2,470,000 cases with a value of £P745,000 in the 1930-31 season to approximately 10,774,000 cases with an approximate value of £P3,900,000 in the 1936-37 season. At that time Palestine had already achieved third place in the list of the citrus exporting countries of the world.²¹

¹⁹ Horowitz & Hinden, *op. cit.*, p. 69.

²⁰ Government of Palestine, *General Monthly Bulletin of Current Statistics*, June 1937, p. 10.

²¹ Horowitz and Hinden, *op. cit.*, p. 70.

As of June 30, 1936, the total Jewish land holdings amounted to 1,394,456 dunams, of which 1,040,070 consisted of cultivable land (cultivable as defined by the Government).²² Of this area it has been estimated that fully one-third when purchased by Jews was barely fit for cultivation. "Not only have the Jews eliminated malaria from many parts of Palestine, but they have converted waste and uninhabited areas into centers of intensive agriculture. As a result of the reclamation of those areas, production has been largely increased and the density of the agricultural population considerably augmented. . . . The size of the average unit holding has been greatly reduced after the transfer of land into Jewish possession."²³ In this connection the observations of the Palestine Royal Commission are interesting:²⁴

"The Arab charge that the Jews have obtained too large a proportion of good land cannot be maintained. Much of the land now carrying orange groves was sand dunes or swamp and uncultivated when it was purchased."

The coming of the Jews provided an expanded market for agricultural products, furnished purchasers for land at high prices thus enabling the Arab peasants to dispose of surplus land and to utilize the proceeds for the introduction of more productive methods of cultivation on the remainder of their holdings, transformed Palestine agriculture from its primitive pre-War state to present-day standards, enabled the Government to make loans and wholesale tax remissions to the Arab peasant as a result of the flourishing state of Palestine's finances, and, most important of all, has given the Arab peasant an object lesson in

²² Jewish Agency for Palestine, *Memorandum Submitted to the Palestine Royal Commission*, op. cit., p. 129.

²³ A. Granovsky, *The Land Issue in Palestine*, Jerusalem, 1936, p. 52.

²⁴ Report of Palestine Royal Commission, op. cit., p. 242.

modern agricultural practice which he has not been slow to adopt. Here again the dynamic principle of economic absorptive capacity has been at work.

D. Potential Absorptive Capacity of Agriculture and Non-agricultural Occupations in Palestine.

In the light of this record what are the possibilities for the future acceleration of the agricultural absorptive capacity of Palestine? The Government estimates the total land area of Palestine at 26,319,000 dunams—13,742,000 dunams in Palestine north of Beersheba and 12,577,000 dunams in the Beersheba Sub-District. It estimates total cultivable land area in the whole of Palestine at 8,760,000 dunams.²⁵ As already stated the Government defines "cultivable area" as land "which is actually under cultivation or which can be brought under cultivation by the application of the labor and resources of the average Palestinian [Arab] cultivator." The Government makes no distinction between "cultivable" and "irrigable" land. Such a distinction is of course indispensable in dealing with estimates of the ultimate agricultural absorptive capacity of the country. Palestine experience has shown that, whereas from 100 to 130 dunams of non-irrigated land are necessary for the maintenance of an average family, only from 20 to 25 dunams of irrigated land are required for that purpose.²⁶ Manifestly, if, by the application of the kind of resourcefulness, experience, capital and the propulsive forces generated by Jewish misery which have already accounted for the creation of the present economic structure of Palestine, some millions of dunams of "cultivable" land can

²⁵ Memoranda Prepared by the Government of Palestine, Palestine Royal Commission, op. cit., p. 17.

²⁶ Minutes of Evidence, Palestine Royal Commission, op. cit., (Arthur Ruppin's evidence), p. 103. Sir John Hope Simpson, *Report on Immigration, Land Settlement and Development*, London, 1930, p. 64.

be irrigated, the economic absorptive capacity will continue to expand. It is to be regretted that the Government has not yet carried out any hydrographic survey of the country, but certain sections of the country have already been surveyed by Government and Jewish organizations. As to the development and utilization of water resources the following excerpts from official reports are instructive:

"Immense possibilities exist in the irrigation cultivation of suitable crops that would give profitable returns, and particularly allow of a bigger export trade."²⁷

"The Acre Plain is said to be entirely irrigable."²⁸

"The result of the (Beisan) Agreement, and specially of the modification of the Agreement made in September, 1928, published in the Official Gazette of 16th September of that year, have taken from the Government the control of a large area of fertile land, eminently suitable to development, and for which there is ample water available for irrigation."²⁹

"(In the Jordan Valley) it is well within the bounds of possibility, both that arrangements could be made which will provide a larger supply of water than that at present in sight, and that a larger area of land may prove to be cultivable than is at present recognised and included in the cultivable area."³⁰

"It should be practicable to achieve in other areas the measure of development which has taken place around Jericho since the proper organization of the irrigation has been effected."³¹

"Given the possibility of irrigation there is practically an inexhaustible supply of cultivable land in the Beersheba area."³²

²⁷ G. S. Blake, *Geology and Water Resources of Palestine*, Jerusalem, 1928, p. 51.

²⁸ Simpson, *op. cit.*, p. 83.

²⁹ *Ib.*, p. 84.

³⁰ *Ib.*, p. 86.

³¹ Report by Mr. F. A. Stockdale on His Visit to Palestine and Transjordan 1935. Colonial Office, (London), October 1935, p. 47.

³² Simpson, *op. cit.*, p. 20.

An outstanding American geologist, Mr. F. Julius Fohs, has conducted an intensive study of the water resources of Palestine since 1919. He has made a number of visits to Palestine and has accumulated probably the most comprehensive and exhaustive data on the water resources of the country. He has supplemented his own studies with consultations with outstanding American water engineers. As a result of these studies he submitted a detailed memorandum of his findings to the Royal Commission on "The Water Resources of Palestine." He states that the available water resources of Palestine, if properly conserved, will make it possible to irrigate 3,500,000 dunams of land in Palestine (exclusive of Beersheba) after providing for the civil and industrial uses of a population of 2,500,000.*

For the purpose of calculating the total number of agricultural families which the cultivable area of Palestine will sustain, the Government estimate of cultivable area, namely, 8,760,000 dunams, is here taken. To this, however, we must add 500,000 dunams which, according to the Jewish Agency, are now under actual cultivation in Beersheba in excess of the cultivable area estimated by the Government for Beersheba, making a total of 9,260,000 dunams within the Government definition.** Allowing 130 dunams of non-irrigable land and twenty-five dunams of irrigable land for each family and assuming that 3,500,000 dunams out of the total cultivable land, as above set forth, will ulti-

* Should the population of Palestine in the future exceed 2,500,000 persons a very small portion of the 3,500,000 dunams estimated by Mr. Fohs as irrigable would have to be withdrawn from irrigation in order to provide additional water for the civil and industrial uses of the population.

** Government estimates for Beersheba classify 1,640,000 dunams as cultivable. According to figures of the Government Department of Agriculture and Fisheries the area of this district actually under cultivation in 1934/35 was 2,107,000 dunams.³³

³³ Jewish Agency for Palestine, *Memorandum Submitted to the Palestine Royal Commission*, *op. cit.*, p. 156.

mately be made irrigable, we find that the (present) cultivable and ultimately irrigable area of Palestine will accommodate a total of 184,300 families, or, allowing five persons to a family, 921,500 persons deriving their sustenance from the land. It appears that in the below named countries the percentage of earners engaged in agriculture and fishing was as follows:³⁴

America (United States)	22.0%
United Kingdom	6.8%
Belgium	19.1%
Netherlands	20.6%
Switzerland	21.3%
Germany	30.5%
Austria	31.9%
Denmark	34.8%
France	38.3%
Czechoslovakia	28.3%
Canada	31.1%

It is therefore not unreasonable to say that a ratio of 3:1 for Palestine, or a ratio of 25% agricultural earners to 75% earners in all other occupations, would be a desirable ratio. On this basis, therefore, Palestine can ultimately attain a total population of approximately 3,600,000 persons. The present population now being approximately 1,400,000, Palestine could reasonably absorb 2,200,000 additional persons. If, however, the estimates of the Jewish Agency as to ultimately irrigable and immediately cultivable area are taken, the absorptive capacity of Palestine would be increased by approximately another half-million persons.

There is not, of course, any hard and fast rule which can serve to determine the proportion of agricultural population to total population in any given country. This proportion necessarily is determined by factors such as the area of cultivable land, the degree of agricultural productivity, the living standards and social structure of the population. One consideration which

with respect to Palestine may properly influence a much higher non-agricultural ratio than 3:1 is the special position she occupies as an "entrepot".

"It was not till after the close of the General War of 1914-18 that Palestine was favoured by the conjunction of circumstances required to restore her to her historic position as an 'entrepot'. The first of these new factors was the commercial development of flying and trans-desert motor-traffic as practical alternatives to transportation by steamship—a development which tended to shift the alignment of trade-routes from the sea to the land. The second factor was the emergence of Iraq, under British tutelage, from her seven-hundred-years-long economic and social eclipse. The third factor was the economic rehabilitation of Palestine herself through an inflow of Jewish enterprise under a British aegis. . . . On this showing, Palestine held a key position in the twentieth century world which was not incomparable to the position of Great Britain as the 'entrepot' between Europe and the Americas. . . . Here was a Palestinian asset of enduring value."³⁵

Whether one can agree with Professor Toynbee's picture or not, it nevertheless is true that Palestine is at the crossroads of the two or perhaps the three main arteries of Europe, Asia and Africa. Palestine has an immediate hinterland of 40,000,000 persons in Trans-Jordan, Syria, Iraq, Iran and Egypt. If Palestine should grow into the "entrepot" which its geographical position promises, it will be able soundly to sustain a ratio of non-agricultural population to agricultural population comparable to the ratio of Belgium which is 19.1% agricultural to 79.9% non-agricultural. In that case, after the fullest development of Palestine's irrigable land (exclusive of Beersheba) has been achieved and its agricultural population grows to ap-

³⁵ Annual Survey of the Royal Institute of International Affairs 1934, pp. 264 ff., by Professor Toynbee. (Cited in Jewish Agency for Palestine, Memorandum Submitted to the Palestine Royal Commission, *op. cit.*, pp. 214, 215.)

³⁴ Statistical Year Book of the League of Nations 1933-34, pp. 39-43.

proximately 1,000,000 persons, the non-agricultural portion of the population would be 4,000,000. If water is found in the Beersheba Sub-District, which comprises practically one-half of the total area of Palestine, the supply of cultivable land would be practically inexhaustible.³² In that case, additional millions could be absorbed into the agricultural and industrial life of Palestine.

E. Trans-Jordan.

The relationship of Trans-Jordan to Palestine (Cis-Jordan) is too close to be disregarded in any consideration of the absorptive capacity of Palestine. Economically the two territories are one. Only the will and the judgment of the British Government stand in the way of Jewish colonization in that area.³³

"The area of Trans-Jordan is about 34,000 square miles, and its present population is estimated at about 320,000. Thus while the country is almost two and a half times as big as Palestine it contains only about a quarter of its population. . . . The country has not been fully surveyed, and there is not sufficient expert evidence available to form an estimate of the amount of uncultivated land which might be rendered cultivable. . . . The number of new settlers for whom room could be found in Trans-Jordan is assessed by some Jewish writers in millions; by those who are opposed to Jewish immigration in thousands. . . ."³⁴

According to recent official estimates, the cultivable area of Trans-Jordan is 4,600,000 dunams.³⁵ The population and the economic position of Trans-Jordan have remained static since 1914. The people of Trans-Jordan

³⁶ Permanent Mandates Commission, League of Nations, *Minutes of the Twenty-Third Session*, Geneva, 1933 (testimony of M. A. Young, Chief Secretary of the Government of Palestine and accredited representative of the mandatory Power), p. 98.

³⁷ Report of Palestine Royal Commission, *op. cit.*, p. 308.

³⁸ Jewish Agency for Palestine, *Memorandum Submitted to the Palestine Royal Commission*, *op. cit.*, p. 210.

are impoverished. The Trans-Jordan Government lives largely on subsidies provided by British annual grants-in-aid which amounted to LP 436,000 during the four financial years 1931-32 and 1934-35.³⁹ On the other hand, Mr. F. A. Stockdale, Agricultural Adviser to the British Secretary of State for the Colonies, reported:⁴⁰

"In Trans-Jordan there are possibilities of considerable economic development if financial provision can be made for a forward policy designed to assist and guide the people in their efforts."

It is not unreasonable to assume that the application of the same pioneering energy, capital and devotion which the Jews have applied to Cis-Jordan would considerably expand the absorptive capacity of Trans-Jordan both for Jews and for Arabs.

F. Jewish Material and Spiritual Need as Accelerators of Absorptive Capacity.

Jewish Palestine shows that great creative forces have been generated by the pressure of Jewish misery and by the age-old longing of the Jewish people to normalize Jewish life on their ancient soil in the social framework of the Prophets. Under the impact of these forces the static elements which go to make up the physical country called Palestine are adjusting and will continue to adjust themselves to expanding Jewish need. Impelled by these forces the builders of Jewish Palestine have frequently projected enterprises and employed methods which to orthodox economists appeared "uneconomic." To a British economist, to a member of a British Commission, or to a British Government official whose "time sense" is influenced by the security which he and his nation enjoy, haste in the colonization and upbuilding of a new country is naturally "uneconomic." But to a Jew who must

³⁹ *Ib.*, p. 210.

⁴⁰ Stockdale, *op. cit.*, p. 83.

help find a home for his wandering brethren, an accelerated economic tempo is soundly "economic." Doubtless it was "uneconomic" for the Jews to pay the exorbitant prices for the land which they acquired in Palestine. The growth of the Jewish agricultural and horticultural structure of Palestine tells another story. It was wholly "uneconomic" for a prominent group of Jewish business and professional men in America to aid Moise Novomeysky to attempt the commercial extraction of the mineral resources of the Dead Sea. Expert opinion throughout the world, particularly in Germany, foredoomed this attempt to failure. Today this "most useless body of water in the world" is furnishing work opportunities for 1,500 Jews and Arabs and sustenance for 2,500 dependents. The foundations have been laid for the creation of a great chemical industry, which, it is hoped, will in the course of a generation furnish employment to untold thousands. It was certainly "uneconomic" for Pinhas Rutenberg to project the harnessing of the Jordan for the creation of power for industries and for a land irrigation system which were non-existent at the time. Today Rutenberg's Palestine Electric Corporation has industrially transformed the country. In 1927 this company sold 2,527,126 kwh.; in 1937, 71,265,000 kwh. It was undoubtedly "uneconomic" for the Jews to pay \$1,000,000 for a drainage concession of the Huleh lake and marshes which had been granted before the War by the Ottoman Government to two Beirut merchants and which had been lying dormant, and to plan the expenditure of an additional \$3,000,000, plus \$1,000,000 to be contributed by the Government, for the drainage and rehabilitation of that area of 56,939 dunams. But it is likely to prove highly "economic" when the work is completed and this area plus an additional 46,000 dunams is ameliorated, whereas now it is only a disease-breeding and malarial swamp. Without labor-

ing the point too much, it is perfectly clear to the Jews of the world that it is wholly "economic" for them to apply a small percentage of their total resources to the founding of a home for their brethren who have been so cruelly deprived of every vestige of human dignity. It will still be "economic" if, in the future, it should be found necessary to write-off part of the capital which the Jewish people may devote to the intensive development and rehabilitation of Palestine.

It is in the light of the foregoing considerations that it may be reasonably said that Palestine, freed from terror and secure in good government, will carry its share of the Jewish refugee burden by annually absorbing from 100,000 to 125,000 Jews for many years to come.

III. ABSORPTIVE CAPACITY OF CIVILIZED COUNTRIES OTHER THAN PALESTINE.

Can 100,000 to 125,000 Jews from Central and Eastern Europe find refuge in the remaining civilized countries of the world (other than Palestine)? Will they take them? It appears that from 1931-1936 total Jewish world emigration amounted to 286,764 persons. In this period Palestine absorbed 62% (177,895 immigrants), and all other countries 38% (108,869 immigrants).⁴¹ When we remember that since 1930 the pressure upon Jewish populations in Central and Eastern Europe has been cruelly accentuated the immigration statistics here given for countries other than Palestine afford us little comfort. However, the position may be materially improved by the decisions of the Evian Conference and it may not be unreasonable to assume that these countries will absorb at least from 100,000 to 125,000 immigrants annually.

If these hopes and predictions are fulfilled then all faith in human brotherhood need not be abandoned.

⁴¹ American Jewish Year Book 5699 (1938-39), Philadelphia, 1938, pp. 561, 566, 567, 568, 573. Also data furnished by American Jewish Committee, New York.

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